

121st Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1953



"MINUTE MAN SERVICE"



Board of Directors

PHILIP R. ALLEN *	Walpole, Mass.	HARVEY P. HOOD	Brookline, Mass.
ROGER AMORY †	Boston, Mass.	ERNEST M. HOPKINS	Hanover, N. H.
RICHARD L. BOWDITCH	Cambridge, Mass.	JAMES L. MADDEN	Beverly, Mass.
HUGH J. CHISHOLM *	Portland, Maine	JOHN R. McLANE *	Manchester, N. H.
T. JEFFERSON COOLIDGE *	Brookline, Mass.	PHILLIPS M. PAYSON	Portland, Maine
FAIRMAN R. DICK	New York, N. Y.	WILLIAM B. SKELTON	Lewiston, Maine
EDWARD S. FRENCH *	Springfield, Vt.	ROBERT W. STODDARD *	Worcester, Mass.
JAMES GARFIELD	Cambridge, Mass.	TIMOTHY G. SUGHRUE *	Swampscott, Mass.
EDGAR C. HIRST	Concord, N. H.	LAURENCE F. WHITEMORE	Pembroke, N. H.

* Members Executive Committee

† Resigned January 26, 1954

Officers

Chairman of the Board	E. S. FRENCH
President	T. G. SUGHRUE
Executive Assistant to the President	A. S. BAKER
Vice President	R. M. EDGAR
Vice President — Accounting	G. F. GLACY
Vice President — Traffic	P. J. MULLANEY
Assistant General Traffic Manager	C. F. HEARD
Vice President — Purchases and Stores	H. M. RAINIE
Purchasing Agent	G. H. BOLTON
Vice President — Operations	F. W. ROURKE
Treasurer	E. W. SMITH
Clerk of Corporation	W. J. BURNS
General Counsel	R. J. FLETCHER
General Attorney	R. JACKSON
Chief Engineer	S. G. PHILLIPS
Assistant Chief Engineer	H. C. ARCHIBALD

TRANSFER AGENTS

Old Colony Trust Company, 45 Milk Street, Boston, Mass.

Central Hanover Bank and Trust Company, 70 Broadway, New York City

Condensed Income Account for 1953

INCOME

	1953	Increase or Decrease from 1952	Per Cent
Operating Revenues.....	\$88,871,371	d \$ 980,847	1.09
Operating Expenses.....	71,599,177	d 944,439	1.30
Net Revenue from Operations.....	\$17,272,194	d \$ 36,408	.21
Railway Tax Accruals.....	6,996,675	d 1,315,483	15.83
Railway Operating Income.....	\$10,275,519	\$1,279,075	14.22
Equipment and Joint Facility Rents — Net Dr.....	4,893,746	960,717	24.43
Net Railway Operating Income.....	\$ 5,331,773	\$ 318,353	6.29
Other Income.....	1,043,191	244,521	30.62
Total Income.....	\$ 6,424,964	\$ 562,879	9.60

DEDUCTIONS

Rental Payments — Fixed.....	\$ 814,217	\$ 100,562	14.09
Interest on Debt — Fixed.....	2,509,042	d 51,590	2.01
Interest on Unfunded Debt.....	9,083	d 261	2.79
Other Deductions.....	193,761	d 9,167	4.52
Total Deductions.....	\$ 3,526,103	\$ 39,544	1.13
Income After Fixed Charges.....	\$ 2,893,861	\$ 523,335	22.03

d Indicates decrease.

Income after Fixed Charges (Available Net Income)

has been allocated in accordance with Mortgage

Indentures to the following purposes:

Sinking Fund for Redemption of Series RR Bonds.....	\$ 679,102
Interest on Income Bonds Series A:	
Accrued for period, Jan. 1 to Dec. 31, 1953 at $4\frac{1}{2}\%$	1,015,383
Sinking Fund for Redemption of Series A Bonds.....	482,870
Total Mortgage Allocations.....	\$ 2,177,355
Net Income transferred to Profit and Loss.....	721,506
	<u>\$ 2,893,861</u>

The Cover: Night scene of car movement in Boston yards.

International prize-winning photograph by G. H. Hill.

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To the Shareholders of the BOSTON and MAINE RAILROAD

In 1953 operating revenues of your company amounted to \$88,871,371 and operating expenses were \$71,599,177. While operating revenues decreased 1.1%, operating expenses decreased 1.3%.

Net revenue from operations plus other income was \$18,315,385. Tax accruals, interest and rentals reduced this amount to \$2,898,861 income after all fixed charges. In accordance with terms of mortgage indenture there has been allocated \$679,102 for redemption of Series R. R. bonds, \$1,015,383 interest on income bond Series "A" and \$482,870 for sinking fund for redemption of Series "A" bonds.

After payment of fixed and contingent charges there remained for corporate purposes \$721,506 for the year 1953 as compared to \$183,324 in the year 1952.

CAPITAL STOCK MODIFICATION

In April of 1953, the Interstate Commerce Commission issued its final order in the stock modification case. This authorized the plan to become effective in accordance with the commission's earlier approval which had been extended in 1951. As of the close of the year 268,165 shares of the 5% new preferred, or 97.4%, and 515,747 shares of new common stock, or 94.3%, had been exchanged. A dividend of \$6.45 a share on the new preferred stock covering accumulations from January 1, 1949 to January 1, 1953, was paid on December 30, 1953. The total dividend payment was \$1,775,659.20.



BOSTON and MAINE RAILROAD

CHANGES IN LONG-TERM DEBT

Long-term debt outstanding in the hands of the public on December 31, 1953, amounted to \$84,215,007 of which \$7,302,707 represented equipment obligations. This was a reduction of \$4,096,746 as compared to December 31, 1952.

Changes in the long-term debt during the year occurred as follows:

REDUCTION IN AMOUNT OF DEBT IN HANDS OF PUBLIC

Funded Debt reacquired:	
Series RR 1st Mtge. 4% Bonds due 7/1/60.	\$ 674,000
Series A Income Mtge. 4½% Bonds due 7/1/70	\$1,075,000
Vt. Valley RR 1st Mtge. 4% Bonds due 10/1/55	\$ 37,000
<hr/>	
Net reduction in funded debt	\$1,786,000
Equipment obligations discharged during the year	\$3,255,951
Less equipment obligations added on account of new equip- ment acquired	\$ 945,205
<hr/>	
Net reduction in equipment obligations	\$2,310,746
Total reduction in long-term debt in hands of public	\$4,096,746

TAXES

Railway tax accruals amounted to \$7,008,495 in 1953 as compared to \$8,323,979 in 1952. How taxes were paid is indicated in the following table:

	1952	1953
State and Municipal Taxes	\$2,944,032	\$2,988,678
Federal Payroll Taxes, Railroad Retirement	2,697,050	2,653,593
Federal Payroll Taxes, Railroad Unemployment Insurance	217,660	212,900
Federal Income Taxes	2,423,640	1,146,080
Other Taxes	41,597	7,244

During the year the railroad successfully concluded litigation started in 1945 with respect to its income tax liability for the years 1939-1941 inclusive. As a result the railroad will receive a refund of taxes and interest previously paid amounting to \$1,637,099, with additional interest to January 31, 1954 amounting to approximately \$330,000. Of these amounts \$925,000 was included in income, netting after taxes \$489,138. The remainder of this refund is set up as a reserve for possible tax deficiencies for years 1942 to 1953.

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RETURN ON INVESTMENT

The net return on the investment in the property for 1953 was 2.2%. A comparison of results of operations for the years 1949 through 1953 is shown below:

	1949	1950	1951	1952	1953
Operating Revenue	\$82,238,981	\$86,580,762	\$88,419,714	\$89,852,218	\$88,871,371
Operating Expense	67,091,573	66,816,462	71,807,912	72,543,616	71,599,177
Net Operating Revenue . .	\$15,147,408	\$19,764,300	\$16,611,802	\$17,308,602	\$17,272,194
Deductions:					
Tax Accruals	\$ 6,481,146	\$ 8,576,442	\$ 7,710,137	\$ 8,312,158	\$ 6,996,675
Equipment Rents	3,327,696	3,907,191	3,647,796	3,541,903	4,458,781
Joint Facility Rents . . .	355,007	326,911	346,881	391,126	434,965
Total	\$10,163,849	\$12,810,544	\$11,704,814	\$12,245,187	\$11,890,421
Net Railway Operating Income	\$ 4,983,559	\$ 6,953,756	\$ 4,906,988	\$ 5,063,415	\$ 5,381,773
Investment in Transportation Property including cash, materials and supplies, less recorded depreciation	\$254,040,311	\$256,572,127	\$252,963,510	\$256,034,088	\$248,676,951
Rate of Return	2.0%	2.7%	1.9%	2.0%	2.2%

FREIGHT TRAFFIC

Freight revenue for the year was \$67,435,450, an increase of 0.9% over 1952. There was a decrease of 4.1% from the previous year in revenue ton-miles, while revenue per ton-mile increased 5.2%.

After running slightly behind the volume of the previous year during the first few months, the traffic volume strengthened during the summer but that was, in turn, followed by a decline in the fall, with a rather pronounced weakness in the last two months of the year. The decline in our eastbound movement was due almost entirely to a reduction in the volume of all-rail coal. The weakness toward the end of the year was caused by a general decline in business activity throughout the country and was accentuated by the slow movement of the 1953 Aroostook County potato crop due to an unfavorable market price situation. The loadings of freight locally on the Boston and Maine held up well throughout the year.

Resumption of construction work at the Newington, N. H. Air Base late in 1953 is expected to give the railroad a substantial amount

BOSTON and MAINE RAILROAD

of traffic in 1954. This is also true of certain other large construction activities, such as the hydro electric project of the New England Electric System near Littleton, N. H., which will not be completed until the middle of 1956. The railroad has moved and is moving a large volume of steel and other materials used in the construction of the Boston Central Artery as well as other projects in this area.

PASSENGER TRAFFIC

Passenger revenue for the year was \$11,396,879, 4.7% less than in 1952. The number of passengers carried was 10.6% less than a year ago. Passengers carried in other than commutation service decreased by 8.1% while the number of commutation passengers was 12.4% less than in 1952.

In November the supervision of passenger service was, for the first time, separated from the general traffic department and placed under the direction of Vice-President R. M. Edgar, with full responsibility for all passenger matters and with full authority to take such steps as are necessary to develop a more favorable passenger operation. The objectives will be to improve equipment, schedules and service where such action can increase use of our trains and to eliminate those services which are slightly used and operate at a loss. This is a long range effort to eliminate or reduce the substantial passenger deficit which has offset, to a large degree, for many years, our profitable freight operations.

In December a major revision in the commutation fare schedule was approved by the Massachusetts Public Utilities Commission and the Interstate Commerce Commission. The new basis of fares has as a principal objective increased use of passenger train service between Boston and points beyond the immediate suburban commuter zone. The schedule also placed fares on consistent mileage scales and resulted in some increases within 13 miles of Boston. Within Massachusetts a rate increase of 25% was granted, instead of a greater increase which had been sought, on pupils' fares which had been previously maintained at 50% of the monthly ticket rate.

Budd rail diesel cars were being used to operate 38 train schedules at the end of the year.

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MILK TRAFFIC

Revenue from milk and cream in 1953 was \$1,348,834. This is a decline of \$5,374 or 0.4% under 1952 and can be attributed to the traffic lost during the 19 days of the Rutland strike during the summer. All of this traffic returned to the rails after the Rutland resumed operations. The volume of milk and cream shipped was slightly higher than in 1952 and it is evident that our competitive situation with respect to highway carriers has been stabilized.

EXPRESS TRAFFIC

Revenue from express was \$1,912,381, an increase of 5.4% over 1952. This continued improvement in express revenue was due to an increase in rates of about 15% made effective August 20 on interstate and September 8 on intrastate business, and an increase in volume resulting from the change in federal postal laws effective in 1952 limiting the size and weight of parcel post shipments. Serious attempts are being made by some interests to have Congress repeal the 1952 law and restore the previous size and weight limits in parcel post service. This is being vigorously resisted by the Railway Express Agency and the owning carriers.

During the year the railroads of the country negotiated a new agreement of operations with the Railway Express Agency. This agreement has been signed by your railroad and becomes effective on March 1, 1954, replacing the present operating agreement which now exists between the Agency and the railroads.

OPERATING RESULTS

Gross ton miles produced per freight train hour reached a new record high at 39,761 or 1% more than last year's record figure and the average speed of freight trains maintained the high average of the year 1952.

Since August, 1953 all freight train service has been operated by diesel power. At close of 1953, 74% of all passenger train miles were

BOSTON and MAINE RAILROAD

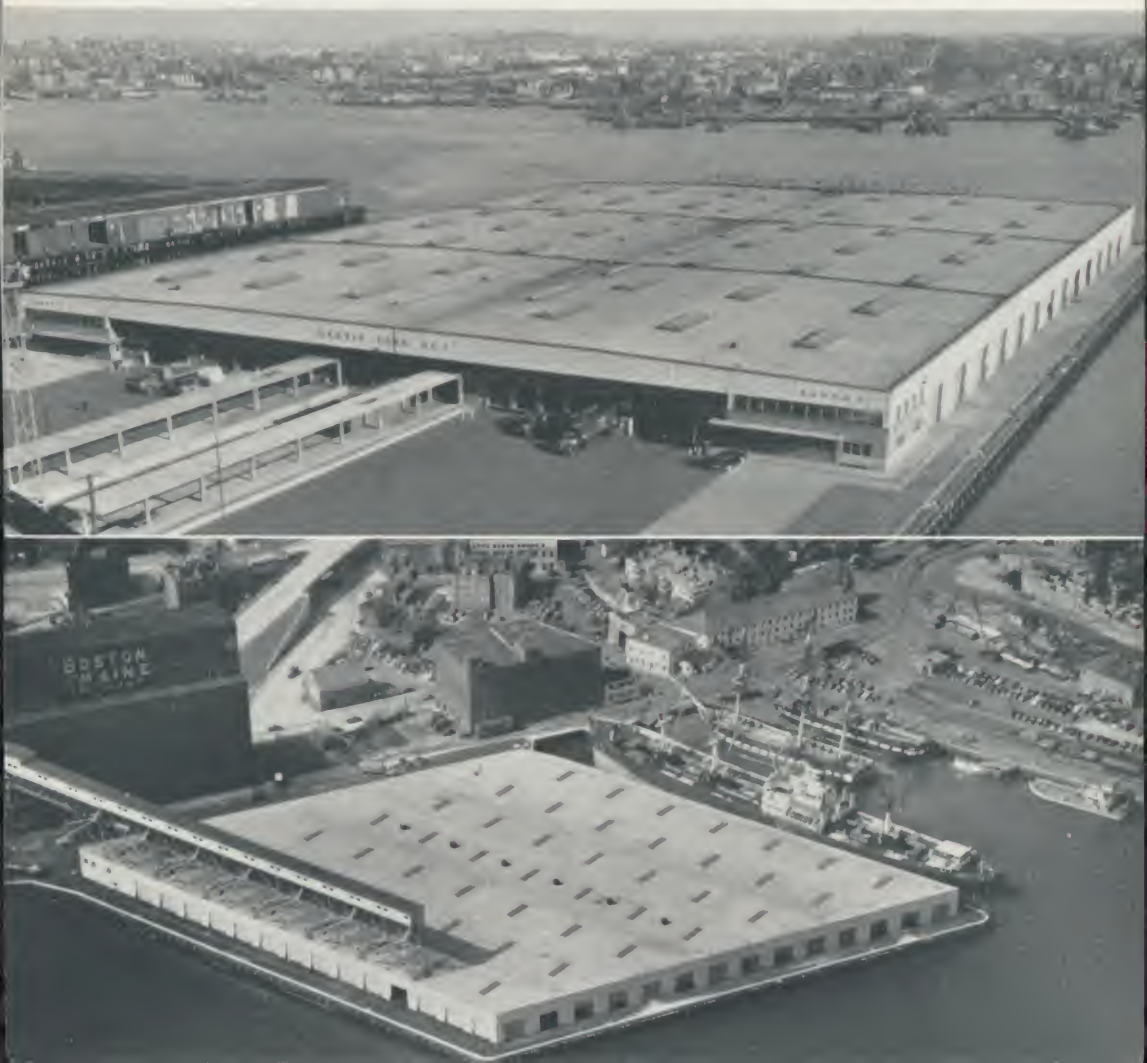
operated by diesel locomotives, 15.6% by motor rail cars, and only 10.4% by steam locomotives, all in suburban service.

All yard switching service at the close of the year was performed by diesels.

THE MYSTIC TERMINAL COMPANY

An increase of 81% in gross tonnage handled by the Mystic Terminal Company over 1952 occurred during the first full year of operation at the new Mystic Pier No. 1, which opened in August 1952, and the first year of operation of both new Hoosac and new Mystic together.

Mystic Pier No. 1, Hoosac Pier No. 1 and the supporting Hoosac Grain Elevator, in addition to old Mystic Piers 48, 49 and 50, use and occupancy of the latter being continued on a temporary basis, comprise



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the marine properties leased by the Boston and Maine Railroad from the Commonwealth of Massachusetts and operated by the Mystic Terminal Company.

Approximately 454,000 gross tons of cargo, including grain, were worked at all facilities in 1953 as compared with 249,000 gross tons in 1952. This is an increase of 205,000 gross tons, and was accomplished in spite of the absence of Pier 48 during the last six months of the year due to fire damage. Carload traffic handled by the railroad at its waterfront facilities during 1953 amounted to 8,533 cars of which 5,925 were in Boston and Maine road haul.

In the light of experience gained there is every reason to feel that, if water traffic holds up as anticipated, maximum usage of the facilities can be achieved.

ABANDONMENTS AND DISCONTINUANCES

The railroad continued to stress in 1953 the elimination of little used services which had been operated for some time at out-of-pocket losses.

In November 1953, the Interstate Commerce Commission and the New Hampshire Public Utilities Commission jointly heard this company's petition for the abandonment of 37 miles of railroad between Plymouth and Blackmount station in the town of Haverhill, in New Hampshire. This was the most important case involving discontinuance of service during the year. Passenger and freight service local to the line is very light and has been declining for several years. Other traffic can be handled adequately by other Boston and Maine Railroad lines contiguous to the territory. The case was pending at the close of the year.

In other cases, passenger service was reduced under authority of the New Hampshire Public Utilities Commission to a single round trip of service on weekdays on the line between Concord and Portsmouth and Concord and Claremont in New Hampshire. In both cases the

BOSTON and MAINE RAILROAD

remaining passenger services were being operated at out-of-pocket losses at the close of the year and preparations were under way to seek complete discontinuance.

Lesser economies were accomplished throughout the system by discontinuance of agencies and retirement of little used station facilities.

WAGES AND WORKING RULES

During the year 1953 there were many changes in the working rules and wage agreements affecting our employees.

In March, the referee appointed by the President of the United States in December, 1952, having ruled earlier that the United States government wage stabilization policy would permit "productivity increases," awarded operating and non-operating employees four cents per hour "improvement factor" in basic wage rates, retroactive to December 1, 1952.

In June, basic hourly rates of pay for freight carmen represented by the Brotherhood of Railway Carmen of America were increased four cents as a result of a national wage movement by that organization to equalize the rates of freight and passenger carmen.

The moratorium provisions in existing agreements with various operating and non-operating organizations, which had helped to stabilize conditions since 1951, expired on October 1, and in anticipation of this date the fifteen non-operating organizations served demands on May 22nd for more favorable arrangements with respect to vacations, paid holidays, life, health and accident insurance and pass privileges. Counter proposals were served by many carriers. On December 28, President Eisenhower appointed an emergency board under the provisions of the Railway Labor Act to consider this dispute with the non-operating organizations.

On October 1, the operating organizations presented their requests for wage increases of approximately 30%, and further requested that the cost-of-living adjustment clause be eliminated and the amount included in the basic rates.

Agreements have been reached with the organizations representing conductors, trainmen, firemen and hostlers, that, effective December 16, the cost-of-living adjustment will be included in the base rates, the

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escalator clause cancelled, and a wage increase of five cents per hour given to these employees. In addition, employees with fifteen years' service are to be given three weeks' vacation, effective with the calendar year commencing January 1, 1954.

A similar "package settlement" has been offered to the engineers but has not been accepted as yet.

LAND DISPOSITION AND INDUSTRIAL DEVELOPMENT

The sale of land not required for railroad purposes has been very closely tied for many years to industrial development on our lines and to projects related to community betterments in the public interest or to private sales of importance to the economic and social life of the territory served.

This program was actively progressed in 1953 resulting in 90 sales of land involving 6,500,000 square feet. Thirty-five of these sales were made to industries for new plants or additions to existing buildings. Twenty-three sidetrack projects involving 11,500 feet of trackage were completed. It is estimated that freight traffic approximating 12,000 cars a year will result from these activities.

The industrial development of the large areas of land adjacent to the railroad's yards in the Rutherford Avenue district of Charlestown, Mass., is now under way. Four new buildings are under construction or on contract.

The railroad is making every effort to cooperate with municipalities, industrial foundations and others in efforts to have available space utilized by industries which will provide traffic for our lines as well as promote interests of the communities.

CHANGES IN EQUIPMENT

During the year considerable progress was made in the improvement of the railroad's property and equipment. This is a two-way process involving the retirement of the old and acquisition of new.

Thirty-three units were added to the railroad's diesel locomotive fleet. At the end of the year the railroad owned 233 diesel locomotives

BOSTON and MAINE RAILROAD

of all types with 33 additional power units. Eleven others were ordered during the year for delivery in 1954. Seventy-one steam locomotives were retired during the year reducing the number of steam locomotives owned to 95.

Important changes also occurred in car equipment. The total number of passenger cars owned at the end of the year was 856. The railroad acquired six of the new self-propelled rail diesel cars, increasing to nine the number of cars of this type now operated. Four new sleepers were ordered for 1954 delivery to be utilized on the railroad's overnight service between Maine and New Hampshire points and New York and on the service between Boston and the Maritime Provinces. Ten coaches were purchased and nine Pullman sleepers acquired for conversion to baggage cars. During the period 173 passenger cars were withdrawn from service of which 165 were retired and six converted to non-revenue use. Two were destroyed on other railroads.

Revenue freight car ownership at the end of the year was 4,745. This was 21 less than a year ago.



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FREIGHT CAR PER DIEM AND MILEAGE COSTS

Effective August 1, 1953, the per diem rate for use of freight cars was increased from \$2.00 to \$2.40. The Boston and Maine Railroad, and certain others, believe this amount is greatly in excess of the cost of owning and maintaining freight cars. Nevertheless the books of this company have been maintained in a manner which reflects the \$2.40 rate, thereby substantially increasing the net debit per diem balance as compared to 1952. Your company has declined to pay the increased rate, however, until proper ownership cost has been determined by the Interstate Commerce Commission which now has the question before it. Initial hearings have been held and a finding is expected in 1954. This matter is a serious one for the Boston and Maine Railroad because it is a terminating carrier and, of necessity, has more foreign cars on line than can be loaded off-line. For this reason, any increase in the per diem rate will adversely affect this company's net income.

A related problem is the rate of mileage payments on refrigerator cars. The rate was higher during the whole year of 1953 than in 1952. This, together with heavy potato traffic in the early months of the year, caused substantially increased mileage payments which added still more to the cost of car hire for the year.

MATERIALS AND SUPPLIES

Government controls over materials and supplies, as well as controls over inventory and prices, were discontinued during 1953. Prices of materials and supplies, principally steel products, continue to move to higher levels. The weighted average of prices of all materials, exclusive of fuel, increased approximately 3%.

Further increases in production capacity of industry during the year made materials more available and resulted in improved deliveries.

BOSTON and MAINE RAILROAD

Diesel fuel oil was available in ample supply throughout the year and purchases totaled 25,312,342 gallons at an average price of 10.0 cents per gallon. This compares with 24,714,271 gallons used in 1952 at an average price of 9.78 cents per gallon.

Locomotive coal purchased during the year amounted to 69,000 net tons at an average cost f.o.b Boston and Maine Line of \$7.98 per ton. This compares with 99,500 net tons in 1952 at an average cost of \$7.93 per ton.

The total cost of materials and supplies purchased in 1953, including fuel, crossties, and lumber, but excluding equipment purchases, was \$10,384,247, compared with \$11,488,490 in 1952.

ADDITIONS AND BETTERMENTS

The year 1953 was a particularly active one for the engineering department which was concerned with changes in roadway and track, the signal and communications system, and miscellaneous facilities both from the point of view of improvements and betterments and retirements which would result in savings or operating economies.

Seventy-one single track miles were resurfaced with stone ballast on the Portland, Fitchburg and Terminal divisions. An additional 6.6 miles were gravel ballasted between Brattleboro and Putney, Vt., on the Connecticut River line.

The rail detector car used in annual tests to reveal hidden defects covered 1,499 track miles of main lines and important branches during the year.

Under the blanket retirement program, 107 items of structures valued at \$350,399 and 68 segments totalling 12.47 miles of track valued at \$137,505 were retired during the year. Numerous other retirements incidental to construction projects involving structures and signals, and major retirements handled separately for approval of expenditures involved, were effected.

Three grade crossings were eliminated during the year due to construction of new overhead bridges or the closing of highways and a number of other improvements accomplished.

Automatic crossing protection signals were installed at 14 points on the system while equipment was improved or modernized at 25 other crossings.

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Forty-one improvement projects in freight and passenger yard facilities to improve operations or for the comfort and convenience of employees or patrons were completed.

Improvements were completed in shop facilities and engine terminals at 32 points while improvements to station and office buildings were accomplished at 42 points.

Seventy-six purchases of new major work equipment were made during the year while 55 replacements were made.

PROMOTIONAL ACTIVITIES

The Boston and Maine Railroad has actively cooperated with state, regional and community agencies in the promotion of all-season recreational developments.



BOSTON and MAINE RAILROAD

Its Sunday Snow Train which operates between Boston and New Hampshire's Eastern Slope Region during the skiing season is nationally known. It carried 8,827 passengers in 1953. In addition the railroad offers special services in excursion and package form to those who prefer other areas which can be reached by regular trains. The railroad's booklet "Winter in New England," of which 60,000 copies are distributed annually, is known as a directory of winter fun in Northern New England.

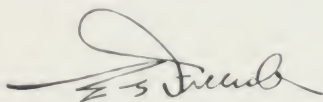
The railroad has produced motion pictures in color and sound which deal with the four New England seasons and the industrial activities of the territory. These films have been shown in every state in the United States and in some of the Canadian Provinces.

In 1953 The Boston and Maine Railroad cooperated in the development of an extensive community relations program developed by the Eastern Railroad Presidents Conference. As a part of this members of the railroad family, nominated by department heads, completed a course in railroad economics and public speaking at Boston University. These graduates are in great demand as speakers at service club and community meetings at which the railroad story of progress and improvement is told. Some of these speeches have received nation-wide press attention.

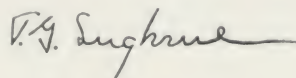
The Boston and Maine Magazine, published six times a year, is distributed to about 18,250 employees and friends. It stresses news of our employees and significant railroad problems.

Improvement of equipment and service to the end that revenues may be increased and elimination of slightly used and costly services to the end that expenses may be reduced are the chief problems confronting the railroad as it moves into 1954.

The Board of Directors and Officers appreciate the support and cooperation of all employees and the confidence of patrons during the year.



Chairman of the Board



President





ELECTRICAL
MACHINERY

ELECTRICAL
WIRING
DEVICES

PIPE
CONDUIT
& CABLE

HYDRO
ELECTRIC
POWER

RESEARCH

POULTRY
RAISING

JEWELRY

SHIP & BOAT
BUILDING

AVIATION
EQUIPMENT

TELEVISION

RADIO

HOTELS
AND CAMPS

COAL

AUTO ASSEMBLY

OIL

SYNTHETIC

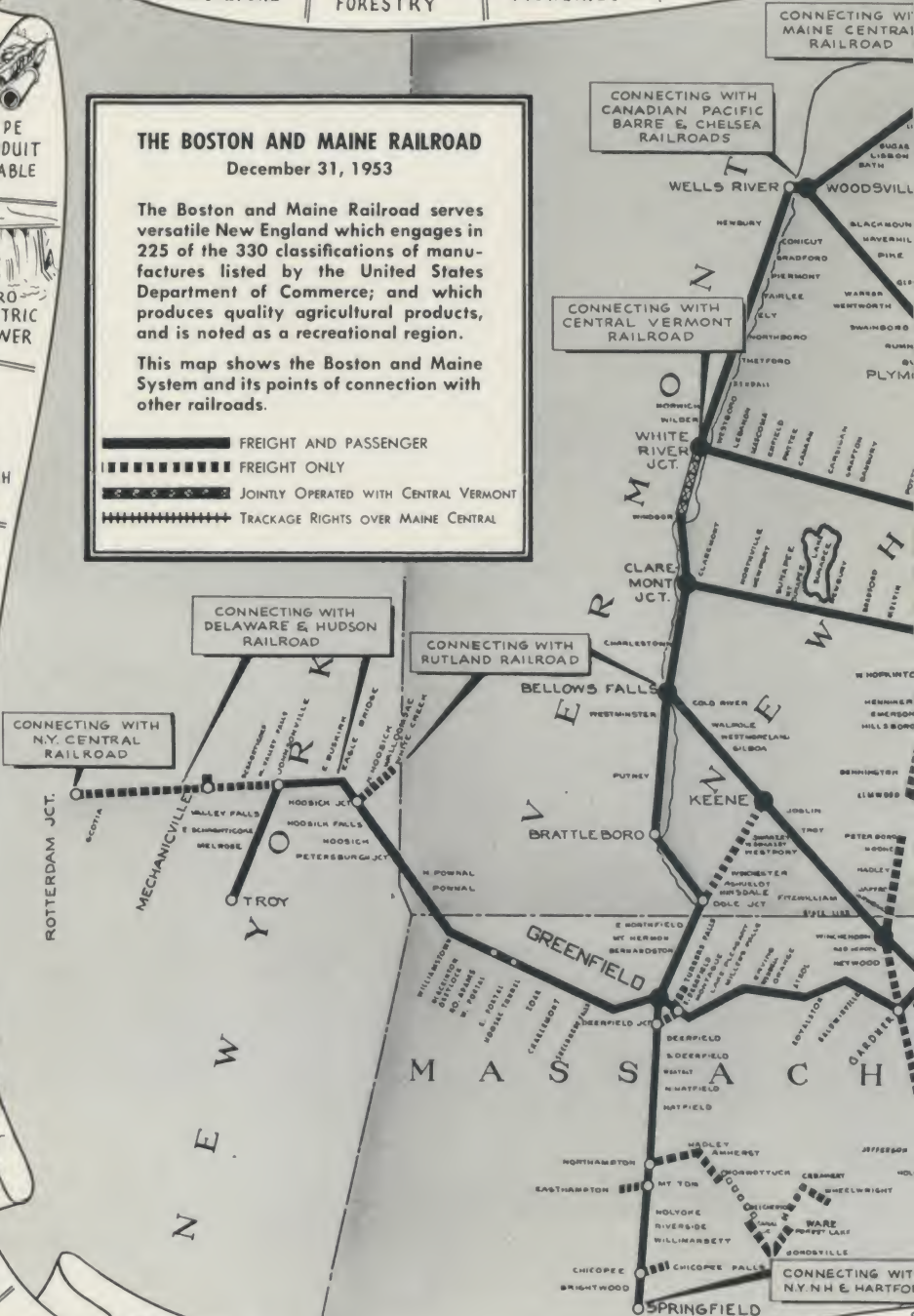
THE BOSTON AND MAINE RAILROAD

December 31, 1953

The Boston and Maine Railroad serves versatile New England which engages in 225 of the 330 classifications of manufactures listed by the United States Department of Commerce; and which produces quality agricultural products, and is noted as a recreational region.

This map shows the Boston and Maine System and its points of connection with other railroads.

- FREIGHT AND PASSENGER
- FREIGHT ONLY
- JOINTLY OPERATED WITH CENTRAL VERMONT
- TRACKAGE RIGHTS OVER MAINE CENTRAL



Assets

Condensed General

	Dec. 31, 1953	Dec. 31, 1952
ROAD AND EQUIPMENT		
Investment in Road	\$189,035,947 44	\$190,630,491 82
Investment in Equipment	62,604,507 91	65,650,894 29
<i>Total</i>	\$251,640,455 35	\$256,281,386 11
Improvements on Leased Property	10,111,253 25	10,119,609 88
Acquisition Adjustment	c 5,961,122 63	c 5,961,122 63
Donations and Grants	c 200,856 54	c 200,011 54
<i>Total Investment in Transportation Property</i>	\$255,589,729 43	\$260,239,861 82
Accrued Depreciation — Road and Equipment	c 22,261,836 19	c 23,068,844 14
Accrued Amortization of Defense Projects — Road and Equipment	c 10,378,107 11	c 10,385,448 78
<i>Investment in Transportation Property less Recorded Depreciation and Amortization.</i>	\$222,949,786 13	\$226,785,568 90
Sinking Funds	2,578 01	1,420 39
Capital and Other Reserve Funds	1,038,635 39	917,002 79
Miscellaneous Physical Property	457,504 26	481,211 71
Investments in Affiliated Companies	2,672,806 82	2,884,484 82
Other Investments	773,529 33	740,245 94
<i>Total Investments</i>	\$227,894,839 94	\$231,809,934 55
CURRENT ASSETS		
Cash	\$ 3,382,468 23	\$ 6,302,014 91
Cash in Transit — Agents' Remittances	738,085 88	873,876 85
Temporary Cash Investments	8,411,000 00	8,241,800 00
Special Deposits	5,417,414 63	2,663,819 12
Loans and Bills Receivable	—	4,984 42
Net Balance Receivable from Agents and Conductors	1,702,827 09	2,081,400 77
Miscellaneous Accounts Receivable	4,010,740 02	4,614,621 94
Material and Supplies	5,790,390 83	6,105,527 78
Interest and Dividends Receivable	14,416 60	11,809 56
Accrued Accounts Receivable	1,176,679 90	932,236 00
Other Current Assets	80,612 79	25,314 81
<i>Total Current Assets</i>	\$ 30,724,635 97	\$ 31,857,406 16
DEFERRED ASSETS		
Working Fund Advances	\$ 17,400 87	\$ 16,765 87
Insurance and Other Funds	2,235,797 34	2,118,606 72
Other Deferred Assets	233,717 92	258,873 60
<i>Total Deferred Assets</i>	\$ 2,486,916 13	\$ 2,394,246 19
UNADJUSTED DEBITS		
Prepayments	\$ 81,342 94	\$ 89,391 71
Discount on Funded Debt	247,330 24	278,276 55
Property Retired Chargeable to Operating Expenses	89,554 79	347,545 96
Other Unadjusted Debits	4,409,226 77	348,730 30
Securities Issued or Assumed — Unpledged	3,540,800 00	(a) 5,389,400 00
<i>Total Unadjusted Debits</i>	\$ 8,368,254 74	\$ 6,453,344 52
<i>Grand Total</i>	\$269,474,646 78	\$272,514,931 42

(a) Restated to conform with December, 1953 accounts for purposes of comparison.
c Indicates Credit Balance.

Balance Sheet

Liabilities

	Dec. 31, 1953	Dec. 31, 1952
CAPITAL STOCK		
Common Stock — 547,083.51 shares	\$ 54,708,351 00	(a) \$ 54,708,351 00
Preferred Stock — 275,296.80 shares	27,529,680 00	(a) 27,529,680 00
<i>Total Capital Stock</i>	<i>\$ 82,238,031 00</i>	<i>(a) \$ 82,238,031 00</i>
LONG-TERM DEBT		
Funded Debt Unmatured	(b) \$ 81,099,100 00	\$ 84,733,700 00
Lease and Purchase Agreements — Equipment	7,302,707 14	9,613,453 52
<i>Total Long-Term Debt</i>	<i>\$ 88,401,807 14</i>	<i>\$ 94,347,153 52</i>
CURRENT LIABILITIES		
Traffic and Car Service Balances — Net Payable	\$ 3,767,234 94	\$ 4,273,746 08
Audited Accounts and Wages Payable	3,287,566 80	4,097,721 31
Miscellaneous Accounts Payable	1,644,652 04	1,871,883 88
Interest Matured Unpaid	1,159,097 13	1,170,847 13
Dividends Matured Unpaid	1,788,008 84	12,349 64
Unmatured Interest Accrued	1,099,910 54	1,162,455 31
Accrued Accounts Payable	906,172 73	932,071 52
Taxes Accrued	3,133,642 51	4,006,419 70
Other Current Liabilities	126,716 95	329,248 13
<i>Total Current Liabilities</i>	<i>\$ 16,913,002 48</i>	<i>\$ 17,856,742 70</i>
DEFERRED LIABILITIES		
Pension and Welfare Reserves	\$ 9,949 40	\$ 34,949 40
New York State E.G.C. Projects	289,917 68	298,491 39
Other Deferred Liabilities	141,855 08	120,396 62
<i>Total Deferred Liabilities</i>	<i>\$ 441,722 16</i>	<i>\$ 453,837 41</i>
UNADJUSTED CREDITS		
Insurance Reserves	\$ 50,000 00	\$ 50,000 00
Accrued Depreciation — Leased Property	443,168 82	291,551 41
Other Unadjusted Credits	4,597,949 87	330,220 57
<i>Total Unadjusted Credits</i>	<i>\$ 5,091,118 69</i>	<i>\$ 671,771 98</i>
SURPLUS		
Additions to Property through Income and Surplus	\$ 14,822,146 85	\$ 14,822,146 85
Funded Debt Retired through Income and Surplus	25,123,081 75	22,763,185 37
Sinking Fund Reserves	11,853 01	1,172,297 39
Miscellaneous Fund Reserves	1,478,728 03	1,386,537 41
<i>Total Appropriated Surplus</i>	<i>\$ 41,435,809 64</i>	<i>\$ 40,144,167 02</i>
Unearned Surplus	(c) 26,934,397 18	(a) 26,934,397 18
Earned Surplus	(d) 8,018,758 49	(d) 9,868,830 61
<i>Total Surplus</i>	<i>\$ 76,388,965 31</i>	<i>\$ 76,947,394 81</i>
<i>Grand Total</i>	<i>\$269,474,646 78</i>	<i>\$272,514,931 42</i>

(a) Restated to conform with December, 1953 accounts for purposes of comparison.

(b) Includes \$4,186,800.00 held by or for Company.

(c) Increase of \$26,336,309.14 in connection with Plan of Modification of the Capital Stock Structure.

(d) Includes Surplus Earned by Lessor Companies before Consolidation.

Income Account

	Year ended Dec. 31, 1953	Increase or Decrease	Per Cent
TRANSPORTATION REVENUE			
Freight	\$67,435,449 70	\$ 583,848 15	.87
Passenger	11,396,878 71	d 566,858 15	4.74
Baggage	11,973 71	d 1,669 31	12.24
Parlor and Chair Car	6,363 30	d 4,371 11	40.72
Mail	2,896,354 02	d 1,407,197 54	32.70
Express	1,912,380 76	97,700 96	5.38
Other Passenger-Train	256,513 24	d 17,429 32	6.36
Milk	1,348,833 99	d 5,373 64	.40
Switching	826,480 87	d 5,373 09	.65
<i>Total Transportation Revenue</i>	<i>\$86,091,228 30</i>	<i>d\$1,326,723 05</i>	<i>1.52</i>
INCIDENTAL REVENUE			
Dining and Buffet	\$ 134,174 39	d\$ 4,346 87	3.14
Station and Train Privileges .	132,870 13	8,750 43	7.05
Parcel Room	3,822 25	d 1,127 65	22.78
Storage — Freight	50,009 12	21,089 51	72.92
Storage — Baggage	4,194 93	d 53 71	1.26
Demurrage	332,113 48	d 16,941 78	4.85
Communication	29,921 47	d 178 71	.59
Grain Elevator	127,721 62	34,060 56	36.37
Power	100,151 42	8,565 88	9.35
Rent of Buildings and Other Property	1,045,083 23	42,230 60	4.21
Miscellaneous	571,336 07	230,804 16	67.78
<i>Total Incidental Revenue .</i>	<i>\$ 2,531,398 11</i>	<i>\$ 322,852 42</i>	<i>14.62</i>
Joint Facility — Cr.	\$ 253,759 30	\$ 22,224 31	9.60
Joint Facility — Dr.	5,014 79	d 799 18	13.75
<i>Total Joint Facility Operating Revenue . . .</i>	<i>\$ 248,744 51</i>	<i>\$ 23,023 49</i>	<i>10.20</i>
<i>Total Operating Revenues</i>	<i>\$88,871,370 92</i>	<i>d\$ 980,847 14</i>	<i>1.09</i>
OPERATING EXPENSES			
Maintenance of Way and Structures	\$15,504,448 73	d\$ 774,452 80	4.76
Maintenance of Equipment . .	13,337,178 02	d 216,988 88	1.60
Traffic	1,369,998 42	9,435 22	.69
Transportation	37,271,300 93	d 207,091 38	.55
Miscellaneous Operations . . .	224,126 04	d 12,147 98	5.14
General	3,892,124 40	256,806 51	7.06
<i>Total Operating Expenses</i>	<i>\$71,599,176 54</i>	<i>d\$ 944,439 31</i>	<i>1.30</i>
<i>Operating Ratio</i>	<i>(80.56%)</i>	<i>d (.18%)</i>	
<i>Net Operating Revenue . .</i>	<i>\$17,272,194 38</i>	<i>d\$ 36,407 83</i>	<i>.21</i>

d Indicates decrease.

Income Account (Continued)

	Year ended Dec. 31, 1953	Increase or Decrease	Per Cent
TAX ACCRUALS	\$ 6,996,675 06	d\$1,315,483 69	15.83
<i>Operating Income</i>	\$10,275,519 32	\$1,279,075 86	14.22
Rent from Locomotives . . .	\$ 21,178 63	d\$ 5,636 60	21.02
Rent from Passenger-Train Cars	699,524 36	284,171 52	68.42
Rent from Work Equipment .	16,708 04	d 9,921 97	37.26
Joint Facility Rent Income .	425,000 52	d 32,857 25	7.18
<i>Total Rent Income</i>	\$ 1,162,411 55	\$ 235,755 70	25.44
Hire of Freight Cars — Debit Balance	\$ 4,242,813 32	\$ 706,401 20	19.98
Rent for Locomotives	118,095 09	98,487 62	—
Rent for Passenger-Train Cars	835,113 43	381,321 31	84.03
Rent for Work Equipment .	169 83	d 719 72	80.91
Joint Facility Rents	859,966 13	10,982 61	1.29
<i>Total Rents Payable</i>	\$ 6,056,157 80	\$1,196,473 02	24.62
<i>Net Rents Payable</i>	\$ 4,893,746 25	\$ 960,717 32	24.43
<i>Net Railway Operating Income</i>	\$ 5,381,773 07	\$ 318,358 54	6.29
OTHER INCOME			
Miscellaneous Rent Income .	\$ 275,708 57	d\$ 56,584 42	17.03
Income from Nonoperating Property	7,308 66	d 65 08	.88
Dividend Income	28,895 50	d 5,220 00	15.30
Interest Income	586,764 56	302,493 97	106.41
Income from Sinking and Other Reserve Funds . . .	103,283 53	5,133 02	5.23
Miscellaneous Income	41,230 97	d 1,235 72	2.91
<i>Total Other Income</i>	\$ 1,043,191 79	\$ 244,521 77	30.62
<i>Total Income</i>	\$ 6,424,964 86	\$ 562,880 31	9.60

d Indicates decrease.

Income Account (Concluded)

	Year ended Dec. 31, 1953	Increase or Decrease	Per Cent
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Miscellaneous Rents	\$ 339,336 32	\$ 100,561 98	42.12
Miscellaneous Tax Accruals	11,820 00	—	—
Miscellaneous Income Charges	18,663 74	d 15,737 16	45.75
Income Applied to Sinking and Other Reserve Funds	136,918 00	6,689 50	5.14
<i>Total Miscellaneous Deductions</i>	<i>\$ 506,738 06</i>	<i>\$ 91,514 32</i>	<i>22.04</i>
<i>Income Available for Fixed Charges</i>	<i>\$ 5,918,226 80</i>	<i>\$ 471,365 99</i>	<i>8.65</i>
FIXED CHARGES			
Rent for Leased Roads	\$ 474,880 84	—	—
Interest on Funded Debt — Fixed Interest	2,509,041 90	d\$ 51,589 67	2.01
Interest on Unfunded Debt	9,083 05	d 260 90	2.79
Amortization of Discount on Funded Debt	26,359 54	d 119 29	.45
<i>Total Fixed Charges</i>	<i>\$ 3,019,365 33</i>	<i>d\$ 51,969 86</i>	<i>1.69</i>
<i>Income after Fixed Charges (Available Net Income)</i>	<i>\$ 2,898,861 47</i>	<i>\$ 523,335 85</i>	<i>22.03</i>
CONTINGENT CHARGES			
Sinking Fund — Series RR Bonds	\$ 679,102 00	—	—
Interest on Funded Debt — Contingent Interest	1,015,383 71	d\$ 14,846 29	
Sinking Fund — Series A Bonds	482,870 00	—	
<i>Total Contingent Charges</i>	<i>\$ 2,177,355 71</i>	<i>d\$ 14,846 29</i>	
<i>Net Income after Fixed Charges and Other De- ductions, transferred to Profit and Loss</i>	<i>\$ 721,505 76</i>	<i>\$ 538,182 14</i>	

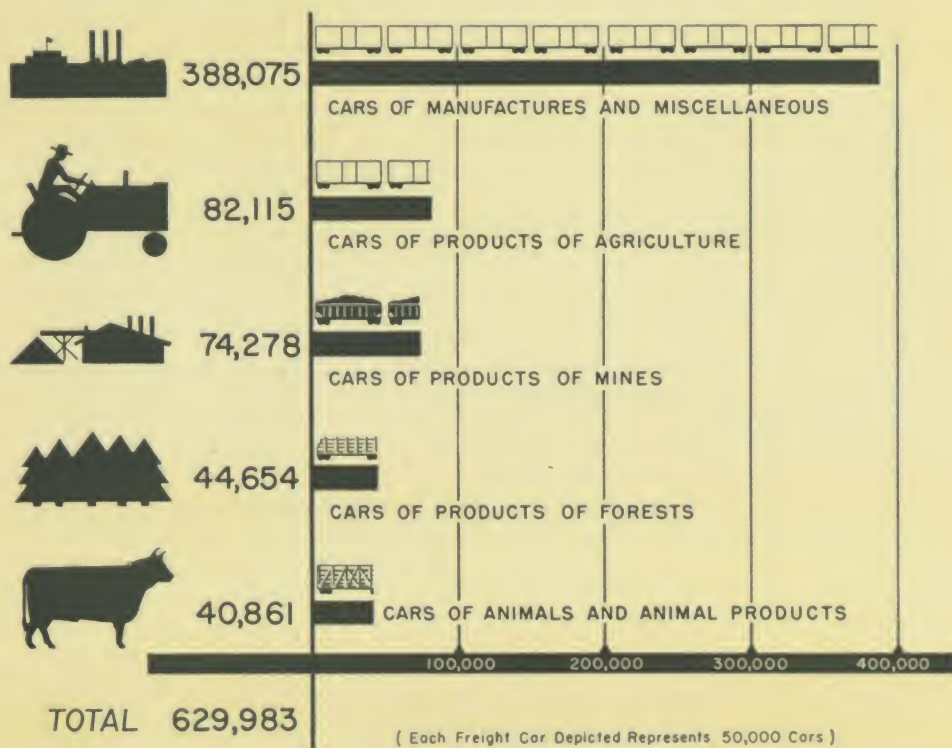
d Indicates decrease.

Earned Surplus—December 31, 1953

Item	Debit	Credit
Balance, December 31, 1952 (Credit)		(a) \$ 9,868,830 61
Credit Balance from Income Account for year 1953		721,505 76
Adjustment to Par of Boston and Maine Railroad Bonds purchased during 1953		682,371 12
Retired Miscellaneous Property Sold — Net		463,464 75
Adjustment of Accrued Depreciation — Road, as per requirement of Interstate Commerce Commission	\$ 1,935,792 00	
Dividend Appropriation of Surplus	1,775,659 20	
Miscellaneous Debits — Net	5,962 55	
Credit Balance, December 31, 1953	(a) 8,018,758 49	
	\$11,736,172 24	\$11,736,172 24

(a) Includes Surplus Earned by Lessor Companies before Consolidation.

CARLOADS HAULED IN 1953



Operating Expenses

	Year ended Dec. 31, 1953	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$ 972,870 30	\$ 13,381 25
Roadway Maintenance	1,381,450 06	120,385 78
Tunnels and Subways	56,401 59	2,265 44
Bridges, Trestles and Culverts	394,877 67	30,684 38
Ties	644,809 17	d 163,843 56
Rails	116,199 89	d 59,643 62
Other Track Material	407,970 43	d 207,837 70
Ballast	124,376 51	35,344 11
Track Laying and Surfacing	4,011,850 97	d 52,767 03
Fences, Snowsheds and Signs	86,659 28	d 5,541 61
Station and Office Buildings	745,385 19	23,251 71
Roadway Buildings	60,368 34	14,747 98
Water Stations	15,975 53	d 10,571 34
Fuel Stations	22,935 74	18 97
Shops and Enginehouses	565,055 79	55,558 46
Grain Elevators	28,670 04	d 15,628 81
Wharves and Docks	13,888 94	2,289 88
Coal and Ore Wharves	21,307 17	16,957 59
Communication Systems	119,171 63	10,593 57
Signals and Interlockers	1,262,911 16	131,853 27
Power Plants	6,791 15	2,380 45
Power-Transmission Systems	78,883 77	5,168 21
Miscellaneous Structures	198 62	198 62
Road Property — Depreciation	1,726,001 96	d 2,383 00
Retirements — Road	429,670 10	d 221,344 86
Roadway Machines	240,616 63	14,813 99
Dismantling Retired Road Property	151,952 40	d 54,865 94
Small Tools and Supplies	226,044 13	d 5,491 49
Removing Snow, Ice and Sand	647,455 29	d 414,282 47
Public Improvements — Maintenance	200,228 74	d 104,902 94
Injuries to Persons	139,428 27	24,767 02
Insurance	32,176 28	5,468 96
Stationery and Printing	11,473 53	d 730 70
Other Expenses	16,198 44	8,312 66
Maintaining Joint Tracks, Yards and Other Facilities — Dr.	695,390 15	d 962 39
Maintaining Joint Tracks, Yards and Other Facilities — Cr.	151,196 13	d 27,902 36
<i>Total Maintenance of Way and Structures</i>	<i>\$15,504,448 73</i>	<i>d\$ 774,452 80</i>
<i>Ratio to Total Operating Revenues</i>	<i>(17.44%)</i>	<i>d (.68%)</i>

d Indicates decrease.

Operating Expenses (Continued)

	Year ended Dec. 31, 1953	Increase or Decrease
MAINTENANCE OF EQUIPMENT		
Superintendence	\$ 754,037 11	\$ 18,449 36
Shop Machinery	239,580 50	8,023 92
Power-Plant Machinery	75,337 05	d 927 97
Shop and Power-Plant Machinery — Depreciation	105,747 00	d 3,474 00
Dismantling Retired Shop and Power- Plant Machinery	1,299 99	742 69
Steam Locomotives — Repairs	674,893 24	d 400,174 00
Other Locomotives — Repairs	3,676,404 41	13,968 87
Freight-Train Cars — Repairs	2,255,009 61	d 13,520 22
Passenger-Train Cars — Repairs . . .	2,726,842 37	121,644 04
Work Equipment — Repairs	304,321 84	d 21,376 86
Miscellaneous Equipment — Repairs .	3,973 22	d 613 86
Dismantling Retired Equipment	90,390 98	33,251 92
Retirements — Equipment	—	27,124 60
Equipment — Depreciation	2,018,623 13	d 5,487 64
Injuries to Persons	104,855 44	d 65,796 18
Insurance	83,145 07	d 3,318 03
Stationery and Printing	10,545 48	d 1,412 83
Other Expenses	99,687 12	70,742 65
Joint Maintenance of Equipment Expenses — Dr.	121,092 59	4,811 21
Joint Maintenance of Equipment Expenses — Cr.	8,608 13	d 353 45
<i>Total Maintenance of Equipment . .</i>	<i>\$13,337,178 02</i>	<i>d\$ 216,988 88</i>
<i>Ratio to Total Operating Revenues . .</i>	<i>(15.01%)</i>	<i>d (.07%)</i>
TRAFFIC		
Superintendence	\$ 540,307 58	\$ 11,673 06
Outside Agencies	506,957 69	14,427 39
Advertising	186,089 00	d 6,358 10
Traffic Associations	58,913 06	d 1,968 40
Industrial and Immigration Bureaus . .	27,017 17	407 00
Insurance	219 41	d 33 77
Stationery and Printing	50,494 51	d 8,711 96
<i>Total Traffic</i>	<i>\$ 1,369,998 42</i>	<i>\$ 9,435 22</i>
<i>Ratio to Total Operating Revenues . .</i>	<i>(1.54%)</i>	<i>(.02%)</i>

d Indicates decrease.

Operating Expenses (Continued)

	Year ended Dec. 31, 1953	Increase or Decrease
TRANSPORTATION		
Superintendence	\$ 1,109,969 72	\$ 22,455 36
Dispatching Trains	420,783 68	d 727 80
Station Employees	5,781,655 67	d 52,208 66
Weighing, Inspection and Demurrage Bureaus	35,527 40	1,262 20
Station Supplies and Expenses	574,990 17	18,779 48
Yardmasters and Yard Clerks	1,334,762 63	23,606 54
Yard Conductors and Brakemen	2,571,289 69	53,363 50
Yard Switch and Signal Tenders	456,807 87	20,907 95
Yard Enginemen	124,189 83	d 66,163 95
Yard Motormen	1,369,985 92	108,725 00
Yard Switching Fuel	285,327 11	d 27,865 99
Water for Yard Locomotives	4,738 51	d 833 06
Lubricants for Yard Locomotives	24,656 90	1,599 40
Other Supplies for Yard Locomotives	16,183 99	d 1,564 65
Enginehouse Expenses — Yard	234,338 60	1,144 07
Yard Supplies and Expenses	96,412 94	d 1,672 96
Operating Joint Yards and Terminals — Dr.	2,731,397 94	10,027 05
Operating Joint Yards and Terminals — Cr.	494,431 71	d 9,650 63
Train Enginemen	489,644 29	d 325,691 60
Train Motormen	3,225,018 38	345,381 21
Train Fuel	2,942,736 05	d 222,546 32
Water for Train Locomotives	53,770 82	d 14,279 04
Lubricants for Train Locomotives	193,437 90	d 2,908 20
Other Supplies for Train Locomotives	139,392 11	d 6,657 81
Enginehouse Expenses — Train	1,709,652 68	d 90,684 08
Trainmen	5,238,011 24	d 81,058 71
Train Supplies and Expenses	2,650,733 25	107,021 55
Operating Sleeping Cars	145,067 96	25,444 06
Signal and Interlocker Operation	778,762 82	d 18,625 86
Crossing Protection	1,573,514 47	d 63,087 09
Drawbridge Operation	77,018 04	4,873 64
Communication System Operation	66,416 10	d 3,316 10
Stationery and Printing	149,324 30	d 22,628 00
Other Expenses	45,141 18	14,202 32
Operating Joint Tracks and Facilities — Dr.	49,596 32	d 5,311 49
Operating Joint Tracks and Facilities — Cr.	65,963 71	d 1,039 38
Insurance	27,343 07	8,014 29
Clearing Wrecks	58,679 05	d 10,055 30
Damage to Property	27,686 97	972 35
Damage to Live Stock on Right of Way	4,031 01	d 343 08
Loss and Damage — Freight	585,053 33	17,818 47
Loss and Damage — Baggage	13,065 51	3,244 08
Injuries to Persons	415,580 93	11,605 84
Total Transportation	\$37,271,300 93	d\$ 207,091 38
Ratio to Total Operating Revenues	(41.94%)	(.23%)

d Indicates decrease.

Operating Expenses (Concluded)

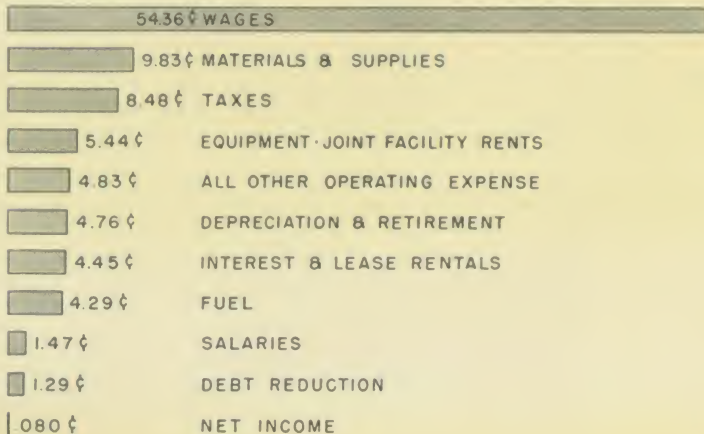
	Year ended Dec. 31, 1953	Increase or Decrease
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service	\$ 169,337 66	d\$ 12,429 10
Grain Elevators	54,786 13	296 53
Other Miscellaneous Operations	2 25	d 15 41
<i>Total Miscellaneous Operations . .</i>	<i>\$ 224,126 04</i>	<i>d\$ 12,147 98</i>
<i>Ratio to Total Operating Revenues .</i>	<i>(.25%)</i>	<i>d (.01%)</i>
GENERAL		
Salaries and Expenses of General Officers	\$ 345,078 76	\$ 57,320 77
Salaries and Expenses of Clerks and Attendants	2,379,173 63	d 14,089 82
General Office Supplies and Expenses .	170,591 87	d 12,941 59
Law Expenses	402,942 43	145,166 14
Insurance	875 95	d 128 21
Pensions and Gratuities	272,181 92	45,521 83
Stationery and Printing	66,327 45	5,321 48
Valuation Expenses	43,402 84	876 27
Other Expenses	185,067 18	29,838 89
General Joint Facilities — Dr.	26,482 37	d 79 25
<i>Total General</i>	<i>\$ 3,892,124 40</i>	<i>\$ 256,806 51</i>
<i>Ratio to Total Operating Revenues .</i>	<i>(4.38%)</i>	<i>(.33%)</i>
<i>Total Operating Expenses</i>	<i>\$71,599,176 54</i>	<i>d\$ 944,439 31</i>
<i>Ratio to Total Operating Revenues .</i>	<i>(80.56%)</i>	<i>d (.18%)</i>

d Indicates decrease.

DISTRIBUTION OF THE INCOME DOLLAR-1953

AVERAGE NUMBER OF ALL EMPLOYEES 12,329

TOTAL PAYROLL-ALL SERVICES \$52,082,271



Capital Stock and Long-Term Debt Outstanding

CAPITAL STOCK	Amount Issued	Dividend Rate
Preferred — 275,296.80 shares . . .	\$27,529,680 00	5%
(a) Common — 547,083.51 “ . . .	54,708,351 00	
	\$82,238,031 00	

LONG-TERM DEBT	Amount Outstanding
Bonds secured by Mortgage dated December 1, 1919, supplemented as of July 1, 1940	
Series II	\$ 1,237,000 00
“ RR	53,401,100 00
“ JJ	902,000 00
“ AC	3,065,000 00
Income Mortgage “ A	22,344,000 00
Vermont Valley Railroad 1st Mortgage Bonds	c 150,000 00
<i>Total Mortgage Bonds</i>	\$81,099,100 00
Lease and Purchase Agreements — Equipment	7,302,707 14
<i>Grand Total Long-Term Debt</i>	\$88,401,807 14

Capital Stock Outstanding December 31, 1953—Leased Roads

CAPITAL STOCK	Amount Outstanding	Dividend Rate (Paid as rental)	Owned, Held in Treasury or Insurance Fund
Stony Brook	\$ 300,000 00	7%	\$ 43,500 00
Northern	3,068,400 00	6%	1,113,000 00
Vermont and Massachusetts	3,193,000 00	6%	699,400 00
<i>Total Capital Stock</i>	\$6,561,400 00		\$1,855,900 00

December 31, 1953—Owned Road

Date of Maturity	Rate	Amount in Hands of Public	Owned, Deposited with Trustee, or Held in Treasury**
May 1, 1955	5 $\frac{7}{8}$ %	\$ 1,237,000 00	
July 1, 1960	4 $\frac{7}{8}$ %	50,385,300 00	\$3,015,800 00
April 1, 1961	4 $\frac{3}{4}$ $\frac{7}{8}$ %	897,000 00	b 5,000 00
September 1, 1967	5 $\frac{7}{8}$ %	2,424,000 00	b 641,000 00
July 1, 1970	4 $\frac{1}{2}$ $\frac{7}{8}$ %	21,819,000 00	525,000 00
October 1, 1955	4 $\frac{7}{8}$ %	150,000 00	
Various	Various	\$76,912,300 00	\$4,186,800 00
		7,302,707 14	
		\$84,215,007 14	\$4,186,800 00

** No interest.

a Includes 9.48 shares held for conversion of Concord & Montreal Railroad Stock.

b Deposited with and held by Trustee in Lieu of Mortgaged Property Sold, to release would require cash payment at par.

c Issued under Vermont Valley Railroad Mortgage dated October 1, 1940, assumed on December 31, 1949.

Miles of Road Operated, December 31, 1953

STEAM ROADS	Owned	Leased	Total
Main Lines	860 59	137 20	997 79
Branch Lines	600 24	4 32	604 56
Trackage Rights	—	73 97	73 97
<i>Total Road Operated</i>	<i>1,460 83</i>	<i>215 49</i>	<i>1,676 32</i>
Second Track	455 80	a 79 83	535 63
Third Track	8 06	b 7 69	15 75
Other Tracks	842 35	97 33	939 68
<i>Total Track Operated</i>	<i>2,767 04</i>	<i>400 34</i>	<i>3,167 38</i>

a Includes trackage rights 13.14 miles.

b Includes trackage rights .99 mile.

Additions and Betterments (Operating Property)—December 31, 1953

TITLE ACCOUNT		Gross Expenditures	Property Retired	Net Capital Changes
ROAD				
1	Engineering	\$ 54,284 68	\$ 112,145 59	\$ 57,860 91
2	Land for Transportation Purposes	3,808 50	425,800 55	421,992 05
3	Grading	17,998 80	484 00	17,514 80
5	Tunnels and Subways	23,012 36	—	23,012 36
6	Bridges, Trestles and Culverts	100,727 69	17,100 32	83,627 37
8	Ties	14,235 36	48,497 03	34,261 67
9	Rails	97,938 15	151,066 82	53,128 67
10	Other Track Material	206,805 39	151,867 39	54,938 00
11	Ballast	3,332 72	18,359 59	15,026 87
12	Track Laying and Surfacing	62,190 69	44,445 69	17,745 00
13	Fences, Snowsheds and Signs	1,226 69	1,796 39	569 70
16	Station and Office Buildings	193,040 42	518,272 48	325,232 06
17	Roadway Buildings	6,881 77	774 00	6,107 77
18	Water Stations	1,395 26	143,913 38	142,518 12
19	Fuel Stations	5,595 86	103,525 40	97,929 54
20	Shops and Enginehouses	197,579 28	520,838 18	323,258 90
21	Grain Elevators	1,625 06	—	1,625 06
26	Communication Systems	20,017 40	445 35	19,572 05
27	Signals and Interlockers	438,291 91	144,346 65	293,945 26
29	Power Plants	480 97	51,006 85	50,525 88
31	Power-Transmission Systems	34,042 26	18,155 53	15,886 73
35	Miscellaneous Structures	—	624 91	624 91
37	Roadway Machines	146,239 86	42,849 54	103,390 32
38	Roadway Small Tools	1,228 82	70 60	1,158 22
39	Public Improvements—Construction	132,803 68	171,155 09	38,351 41
44	Shop Machinery	82,035 46	669,546 86	587,511 40
45	Power-Plant Machinery	8,150 50	88,760 58	80,610 08
<i>Total Road</i>		\$1,854,969 54	\$3,445,848 77	\$1,590,879 23
EQUIPMENT				
51	Steam Locomotives	\$ 216 08	\$2,765,753 91	\$2,765,537 83
52	Other Locomotives	131,198 39	5,274 57	125,923 82
53	Freight-Train Cars	30,565 32	71,468 68	40,903 36
54	Passenger-Train Cars	1,271,127 07	1,592,321 79	321,694 72
57	Work Equipment	152,436 29	189,633 71	37,197 42
58	Miscellaneous Equipment	—	6,976 87	6,976 87
<i>Total Equipment</i>		\$1,585,543 15	\$4,631,929 53	\$3,046,386 38
GENERAL EXPENDITURES				
72	General Officers and Clerks	—	\$ 306 00	\$ 306 00
73	Law	—	468 93	468 93
74	Stationery and Printing	—	18 00	18 00
75	Taxes	—	94 00	94 00
76	Interest during Construction	—	10,901 85	10,901 85
77	Other Expenditures—General	—	233 00	233 00
<i>Total General Expenditures</i>		—	\$ 12,021 78	\$ 12,021 78
<i>Totals</i>		\$3,440,512 69	*\$8,089,800 08	\$4,649,287 39

* DISPOSITION OF CREDITS

Account No.		
701	— Road and Equipment Property — (Equipment Converted)	\$ 19,500 00
702½	— Accrued Depreciation — Road and Equipment — Owned Road	6,227,750 48
708	— Cash — (Land, Buildings, Equipment, Rail and Track Fastenings Sold)	1,799,696 80
716	— Material and Supplies — (Usable Material)	114,788 97
779	— Accrued Depreciation — Leased Property	217,426 96
531	— Operating Expenses	196,742 43
607	— Profit and Loss — Credit	486,105 56

Total Amount credited to Investment in Road and Equipment **\$8,089,800 08**

Operating Statistics

	Year ended Dec. 31, 1953	Increase or Decrease
AVERAGE MILES OF ROAD OPERATED		
Freight service	1,667.59	18.88
Passenger service	1,307.02	72.82
<i>Total</i>	1,678.94	18.88
TRAIN MILEAGE		
Freight service (with locomotives)	3,058,823	59,089
Passenger service (with locomotives)	5,249,806	234,642
Passenger service (without locomotives)	725,530	303,011
Work service	109,881	1,460
<i>Total train miles</i>	9,144,040	10,740
* LOCOMOTIVE MILEAGE		
Freight service	3,243,059	97,947
Passenger service	5,420,752	242,441
Train switching	374,760	41,370
Yard switching	2,020,878	14,040
Work service	173,355	5,122
<i>Total locomotive miles</i>	11,232,804	307,936
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded	116,088,185	422,562
Empty	54,972,052	1,857,723
Caboose	3,153,610	45,498
<i>Total freight-train car miles</i>	174,213,847	1,389,663
Passenger-Train Car Miles:		
Passenger coaches	15,184,356	727,474
Sleeping and parlor cars	2,740,999	225,821
Club, lounge, dining and observation cars	157,187	9,656
Business cars	16,629	1,596
Mail, express, and baggage cars, and combination cars other than passenger	13,728,907	543,410
Combination passenger cars (mail, express, or baggage with passenger)	3,610,768	47,423
<i>Total passenger-train car miles</i>	35,438,846	1,532,876
<i>Total transportation service car miles</i>	209,652,693	143,213
AVERAGES		
Operating revenues per mile of road	\$52,933.02	\$ 10.91
Operating expenses per mile of road	42,645.46	82.05
Net railway operating income per mile of road	3,205.46	223.16
Operating revenues per train mile	\$ 9.84	\$.12
Operating expenses per train mile	7.93	.11
Net railway operating income per train mile60	.04
Total freight cars per revenue train mile	55.92	1.52
Loaded freight cars per revenue train mile	37.95	.58
Empty freight cars per revenue train mile	17.97	.94
Total passenger cars per train mile	5.93	.33

* Includes 10,250,662 Diesel Locomotive Miles.
Italics indicate decrease.

Traffic Statistics

	Year Ended Dec. 31, 1953	Increase or Decrease
FREIGHT		
Freight Revenue	\$ 67,435,450	\$ 583,848
Tons of revenue freight carried	17,797,219	592,218
Tons of company freight carried	926,188	102,931
<i>Total tons of freight carried</i>	<i>18,723,407</i>	<i>695,149</i>
Tons of revenue freight carried one mile	2,905,746,772	125,330,898
Tons of company freight carried one mile	50,602,259	8,448,245
<i>Total tons of freight carried one mile</i>	<i>2,956,349,031</i>	<i>133,779,143</i>
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$ 1,192,835.68	\$ 18,436.88
All other commutation ticket passengers	1,754,668.42	119,596.84
Single fare ticket passengers (not including interline)	5,035,219.40	252,508.96
Interline ticket passengers	3,414,155.21	213,189.23
<i>Total passenger revenue</i>	<i>\$11,396,878.71</i>	<i>\$ 566,858.15</i>
Number of Passengers Carried:		
Monthly commutation ticket passengers	3,015,832	231,337
All other commutation ticket passengers	5,992,828	1,041,231
Single fare ticket passengers (not including interline)	5,737,372	532,491
Interline ticket passengers	1,118,248	73,727
<i>Total number of passengers carried</i>	<i>15,864,280</i>	<i>1,878,786</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	72,192,791	4,390,359
All other commutation ticket passengers	60,228,418	10,527,521
Single fare ticket passengers (not including interline)	167,351,328	9,970,667
Interline ticket passengers	102,109,608	6,296,762
<i>Total number of passengers carried one mile</i>	<i>401,882,145</i>	<i>31,185,309</i>
Number of Passengers to and from Boston including monthly ticket passengers	15,744,992	1,573,053
AVERAGES		
Freight:		
Miles hauled — revenue freight	163.27	1.56
Tons of revenue freight per train mile	949.96	22.19
Tons of revenue freight per loaded car mile	25.03	.99
Revenue per ton of freight	\$ 3.78910	\$ 15.377
Revenue per ton per mile (cents)	2.321	.115
Revenue per revenue train mile	\$ 22.046	\$.605
Freight revenue per loaded car mile (cents)	58.090	.712
Passenger:		
Average distance carried per passenger (miles)	25.33	.92
Number of passengers per train mile	67.26	6.05
Number of passengers per car mile	18.66	.56
Revenue per passenger (cents)	71.84	4.41
Revenue per passenger mile, monthly commuta- tion ticket passengers (cents)	1.652	.119
Revenue per passenger mile, other commutation ticket passengers (cents)	2.913	.264
Revenue per passenger mile, single fare not including interline (cents)	3.009	.027
Revenue per passenger mile, interline passengers (cents)	3.344	.002
Revenue per passenger mile, all passengers . . . (cents)	2.836	.073
Passenger revenue per passenger car mile . . . (cents)	52.920	.165
Total passenger service train revenue per train mile . . .	\$ 3.006	\$.358

Italics indicate decrease.

INDUSTRIAL EXPANSION

along the B and M Lines



Architect's sketch of Western Electric Co. plant now under construction at North Andover, Mass.



Simplex Wire and Cable Company, Newington, N. H.



Service Grocers' Co-operative, Chicopee, Mass.



Parker Brothers, Salem, Mass.



Schenectady Varnish Company, Inc., Rotterdam, N. Y.

